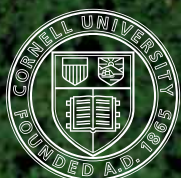


PRO-DAIRY

Annual Report
2007 – 2008

**Results
Driven**



Cornell University
College of Agriculture
and Life Sciences

PRO-DAIRY



The PRO-DAIRY Mission

Increase the profitability and competitiveness of New York's dairy businesses through industry-applied research and educational programs that enhance farm profitability while advancing dairy professionals' knowledge, skills and enthusiasm.

For 20 years PRO-DAIRY has dedicated itself to one goal: to provide programming and leadership to the New York State dairy industry so it can continue to be a leader in the U.S. dairy marketplace. Through results-driven education and research, PRO-DAIRY specialists have contributed to the technical knowledge, management skills and economic strength of New York's dairy industry since 1988.

The 2007-2008 PRO-DAIRY Annual Report focuses on two of the many highly successful and results-driven PRO-DAIRY programs: Business-focused discussion groups and the Junior DAIRY LEADER program. While these programs serve diverse audiences, they share the common purpose of building and maintaining viable dairy businesses.

This year's PRO-DAIRY Annual Report will also highlight other program areas vital to a strong dairy industry. They include environmental stewardship; community relations; crop, manure and nutrient management; herd health, nutrition and management; cow comfort and facilities; and dairy replacements. The latter was the focus of the highly successful 2007-08 Winter Dairy Management School.

David Galton
Director
PRO-DAIRY

Thomas Overton
Associate Director
PRO-DAIRY

The New York Center for Dairy Excellence was founded to promote collaboration within the dairy industry to identify programs that address barriers to dairy operations, as well as advance opportunities for success. We are very excited about working with PRO-DAIRY on two of our initially funded programs: the manure management technology initiative spearheaded by Tim Shepherd and the farmer profit-focused discussion groups led by Kathy Barrett. The strength of PRO-DAIRY's reputation enabled these programs to attract highly qualified and motivated individuals, which is critical to the success of these endeavors.

Mark Kenville
Director, the New York Center for
Dairy Excellence
Syracuse, NY



In times of increased costs and tight profit margins, PRO-DAIRY is there for our dairy producers. The skilled staff, discussion groups, and numerous programs and services PRO-DAIRY offers the industry help ensure that New York dairy farmers remain competitive and viable. The Department is highly committed to supporting PRO-DAIRY, as it is an essential resource in growing this industry.

Patrick Hooker
Commissioner, New York State
Department of Agriculture
and Markets

Collaboration for Success

PRO-DAIRY is synonymous with collaboration, working cooperatively across the dairy industry to accomplish its mission. PRO-DAIRY is a joint venture of the New York State Department of Agriculture and Markets and Cornell University's College of Agriculture and Life Sciences. PRO-DAIRY thanks these partners for their support and the state of New York for its financial contribution.

A new PRO-DAIRY partner is the Center for Dairy Excellence, established by the New York Farm Viability Institute. Through the Center's grassroots structure, dairy producers and stakeholders prioritize applied research and demonstration projects to fund. Collaboration between the Center and PRO-DAIRY resulted in the Profit Discussion Groups initiative, highlighted in this year's Annual Report.

Other collaborators include dairy producer groups, Cornell Cooperative Extension, and numerous agribusinesses and state government agencies. (For a complete list, see inside back cover)

The 2007-2008 PRO-DAIRY annual report reflects the scope of the program's work to keep New York's dairy industry competitive and profitable.

David Galton
Director
PRO-DAIRY

Thomas Overton
Associate Director
PRO-DAIRY

Results Driven

New York Dairy Industry

- **5,820 dairies**
- **3rd nationally in milk production**
- **12.1 billion pounds of milk produced annually**
- **\$2.4 billion (est.) in farm gate milk revenue annually**



Business discussion groups bolster farmers' financial and production performance

PRO-DAIRY supports business-focused dairy farm discussion groups across New York State. It also provides leadership to these groups, which assist dairy farmers in their efforts to improve their businesses' financial and production performance

As word of the success of these groups has spread, more business discussion groups have formed. In 2007, 69 dairies participated in business discussion groups. They vary across the state, but generally the groups are small—six to 20 farmers that meet one to three times a year.

Cornell Cooperative Extension business management educators, along with PRO-DAIRY specialists, generally facilitate the discussion groups. PRO-DAIRY's Jason Karszes, business management specialist and key facilitator of the Dairy Farm Business Summary (DFBS) program, often participates in meetings. It's a perfect fit since the DFBS is often the foundation for group discussions.

Discussion groups give dairy farmers the opportunity to test and exchange ideas with people who share their interests and who face, and solve, similar challenges. Specifically, discussion groups allow producers to:

- Compare actual financial and production performance with similar dairies and to industry benchmarks.
- Discuss the impacts of management practices and changes on performance measures.

- Hear from others what they do to generate their performance results.
- Develop a network of producers who serve as sounding boards outside of discussion group meetings.

DISCUSSION GROUPS IN ACTION

Nine business discussion groups, representing 69 New York State dairies, met in 2007. Here's a snapshot of a few of these groups.

LEWIS COUNTY

Dairy Managers Discussion Group

Nine dairies, two veterinarians and two Cornell Cooperative Extension educators participate in the eight-year-old group. The standard for membership in the Dairy Managers Discussion Group is simple: Producers must have a desire to improve as dairy professionals. The Dairy Farm Business Summary (DFBS), one of the tools the group uses, is the basis for discussions of financial and production parameters every year.

The group's mission statement says it all: The Dairy Managers Discussion Group exists to create opportunities for the open and honest exchange of ideas and information with a small group of dairy industry professionals, whose members share the desire to achieve higher levels of success and expertise. Our members seek to be on the forefront of the knowledge, skills and ideas that affect our professional lives and strive to be proactive in dealing with common challenges within our dairy industry.



- Members of the Dairy Managers Discussion Group learned about group calf feeding of acidified milk replacer from a speaker at one meeting. Glenn Beller's dairy was one of three in the group to implement the practice. The Carthage dairy producer benefits from the group's willingness to delve into how dairies achieve their financial and production numbers.

These discussions are tremendously motivating and have led members to implement new practices that have positively impacted their businesses.

Frans Vokey
Lewis County Cornell Cooperative
Extension educator

RENSSELAER COUNTY

Cathy Wickswat, farm business management Extension educator in Rensselaer County, spearheads three discussion groups.

Five Farm Group

This group began in 1994 with two dairies and has grown to five dairies in four counties. Some 13 family members of all ages attend group meetings. The Cornell DFBS is key to discussions of the Five Farm Group. Like many of the groups across the state, this one holds a day-long meeting early in the year to discuss members' DFBS results. Each dairy hosts a tour of its farm, and the group has toured dairies elsewhere in the state.

These statistics from the Five Farm Group speak volumes about the positive impact for dairies in the group:

	1994	2007
Cow numbers	1,029	2,524
Total pounds of milk produced	~ 23 million	~ 62 million
Corn silage yield	15.5	21.2
Rate of return on all capital, with appreciation	5.31%	20.49%
(The Northern Hudson DFBS average rate of return on all capital with appreciation was 3.71% in 1994 and an estimated 14.99% in 2007)		
Farm net worth	~ \$6 million	~ \$16 million



For several years our farm has been part of a discussion group. We, along with two other farmers compare figures and accomplishments. We discuss many things and teach one another our experiences. It has been very helpful in our operation, and we would recommend it very much.

Seymour VanderVeen
Seven View Farm, Delanson, NY



Group members have helped each other with:

- Expansion plans: Provided advice on what to build and where to build.
- Manure handling: Helped with decision-making on building manure storage.
- Milk marketing: Two dairies now market their milk together.
- Feed costs: By talking about input costs, members learn about feed options and ways to cut costs.
- Cropping: The group helped one dairy increase corn silage yields by 30% and hay yield by 20% through discussions on crop rotation, soil testing, timely planting and equipment changes to lessen soil compaction.
- Veterinarian and medical costs: The group encouraged one dairy with high veterinarian and medical costs to change management practices. Using techniques from the other dairies, this business saved \$16,268 in this area in 2007.

Three Farm Discussion Group

The six members of this group, which began in 2003, also share the DFBS and offer each other ways to improve profitability. The dairies range in size from 52 to 125 cows. Two herds have conventional stall barns and one a freestall barn.



- When the group compared milk prices, one dairy learned its Producer Price Differential, minus hauling plus market premiums, was 70 cents per hundredweight below the other dairies. That meant \$7,000 less in the dairy's milk check compared to the other dairies. Armed with this information, the dairy producer negotiated a better milk price – and increased its profitability by \$25,000 to \$30,000.

CHAUTAUQUA & CATTARAUGUS COUNTIES

When dairy producers who rotationally graze their herds asked to meet with other grazers to discuss profitable practices, a two-county Cornell Cooperative Extension team responded. They began the Advanced Dairy Grazing Discussion Group, and in 2006 representatives of 13 dairies met six times.

Working with PRO-DAIRY specialists to develop customized report formats, Extension educators used the DFBS as the centerpiece of the discussion group's first meeting. Subsequently, the group did on-farm pasture walks to talk about grass clipping, summer seedings, feeding programs and many other topics to help member dairies improve their financial and production performance.

Discussion groups are a powerful tool. To be successful, there must be "chemistry" within the group. Their personalities and ability to maintain confidentiality is very important. A discussion group is like having an extended consultant for the business.

Cathy Wickswat
Cornell Cooperative Extension,
Rensselaer County

By comparing themselves to similar dairies in the same area, participants of the Advanced Dairy Grazing Discussion Group have a realistic way to benchmark their businesses against others.

David Munsee
Farm business management educator,
Chautauqua County, NY



Dairy business discussion group program expands

Working collaboratively, PRO-DAIRY and the Center for Dairy Excellence hired Kathy Barrett to spread the business discussion group format across the state. The Profit Discussion Group program will make available to all dairies the benefits of shared ideas and experiences enjoyed by farmers in Lewis, Rensselaer, Chautauqua, Cattaraugus and other counties. It's a proven method to help dairies discover farmer-tested ways to impact business profitability.

The program's ambitious goal is to form 20 discussion groups by 2009. Groups will represent the diversity of New York's dairy industry in geography and production management systems. Each group will have a targeted membership.

Agribusiness professionals and Extension educators, acting as coordinators and facilitators, will play important roles in the Profit Discussion Groups.

The business discussion group provides a nice opportunity to interact with other progressive farmers who have a positive attitude and outlook on agriculture. One of the biggest advantages of the group is sharing ideas in a rapidly changing environment. It opens up new ideas and strategies and provides an outlook for moving forward.

Discussion groups make the Dairy Farm Business Summary more useful and provide the opportunity to understand why the numbers are different across dairies. When you look at the numbers on your own, you can use them to set goals, but it doesn't show how different farms are able to achieve levels of performance in certain areas.

Specifically, because of what we learned in the discussion group, we made changes to our dry-cow program in the way we approach their handling and care.

Kitty Dziedzic
Dairy Producer
Bliss, NY



Junior DAIRY LEADER Program builds enthusiasm for careers in dairying

Since 1999, the Junior DAIRY LEADER program, a PRO-DAIRY initiative, has introduced 163 young people to the multitude of exciting opportunities in the dairy industry

During the year-long Junior DAIRY LEADER program, 15 to 19 year olds from across New York State:

- Prepare for successful careers in the dairy industry.
- Gain a deep understanding of the dairy industry's vibrancy.
- Are exposed to progressive and profitable agricultural businesses.
- Learn communication and teamwork skills that aid in problem solving.
- Explore and enhance their career planning through discussions with dairy industry leaders and professionals.
- Develop personal, professional and leadership skills necessary to make positive contributions to the dairy industry.

The Junior DAIRY LEADER program run by Deborah Grusenmeyer provides a strong foundation for the start of our youth's dairy careers. This program is especially important in developing young people's interests in the dairy industry by providing a fun and educational atmosphere.

*Jonathan Lamb, Dairy Producer
Chairman, Northeast Dairy
Producers Association
Oakfield, NY*

- Obtain work experience in the dairy field.
- Develop technical skills through training workshops. For example, a two-day workshop in dairy reproduction, done in collaboration with GENEX/CRI, introduces Junior DAIRY LEADERS to reproduction management and artificial insemination skills.
- Develop resumes, working with Cornell University's Career Center.

Junior DAIRY LEADERS attend regional and national meetings, including the National 4-H Dairy Conference and World Dairy Expo in Wisconsin. They meet with more than 200 young people from across the United States and Canada with similar interests and begin to build an extensive network in the dairy industry. Tours of dairies and agri-businesses in Wisconsin help young people to learn about the industry's infrastructure and global aspects.

In the Northeast, Junior DAIRY LEADERS tour dairies and agribusinesses as part of the year-long program. On dairies, they see everything from robotic milkers to worms composting manure, organic dairying and freestall/parlor systems. Through these tours, young people see firsthand the range of successful dairy management styles and approaches. The young people conduct on-farm production analysis and problem solving.

Among the agribusinesses the group visits is the Cargill Animal Nutrition Plant in Syracuse. There they learn about the feed industry infrastructure and technology, as well as career opportunities and education required for those jobs. On a visit to Dehm Associates, in Geneseo, the young people participate in a mock farm advisory team meeting. At the same session, Farm Service Agency staff talks about careers in the financial management area.

Through visits to agribusinesses, young people interact with professionals who have positive and enthusiastic attitudes about the dairy industry and the opportunities it offers young people.



Results Driven

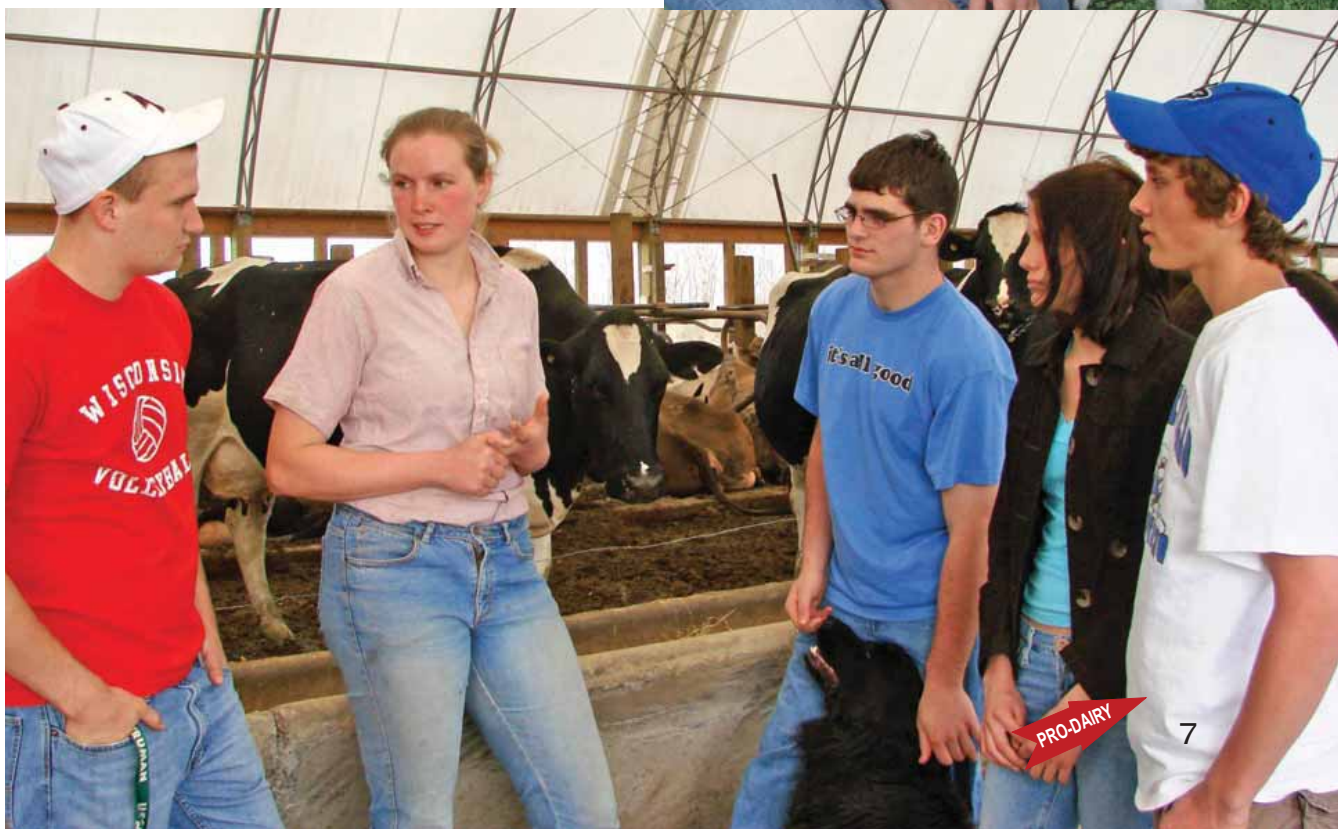
- 97% of the 163 Junior DAIRY LEADER graduates continue their education beyond high school.
- 85% of that group are attending, or will attend, the SUNY Agriculture and Technology colleges or Cornell University in the dairy science field. Importantly, 40% of these youth indicated they were not planning to pursue agricultural careers prior to participating in the Junior DAIRY LEADER Program.
- 10% are pursuing careers in education.
- Three Junior DAIRY LEADER graduates directly entered dairy production and agribusiness careers.

These organizations sponsor the Junior DAIRY LEADER program: PRO-DAIRY, Agway Foundation, New York Farm Viability Institute, Northeast Farm Credit AgEnhancement program, Cargill Animal Nutrition, Genex/CRI, SHUR-GAIN USA and Dehm Associates.

In late 2006, the New York Farm Viability Institute awarded the Junior DAIRY LEADER program an \$88,000 grant for two years of programming. The grant will also be used to document the relationship between completing the program and attending college and finding jobs on dairies or in agribusiness.

The Junior DAIRY LEADER program opened my eyes to the variety of career opportunities within the dairy industry. It made me more certain that I wanted to focus on dairy and agribusiness in college. I networked with several people within the dairy industry, some of whom I may work with in the future.

Betsey Howland, Candor, NY
Cornell University animal
science major
DAIRY LEADER class of 2005



Young people discover dairying at weekend workshop

Dairy Discovery, a statewide program for 15 to 19 year olds, is a hands-on workshop held annually at Cornell University. Young people spend a day and a half on campus learning about dairy careers and rotating through a series of hands-on stations focused on specific aspects of the dairy field.

The focus for Dairy Discovery changes annually: In 2007, it was Maximizing the Feed Management Program. In previous years, Dairy Discovery focused on Dairy Herd Health and Management, Calf and Heifer Production Management, Quality Milk and Milk Production and Whole Farm Management Planning.

Young people probe into the specifics of dairy production. For example, during the Dairy Discovery program on Calf and Heifer Production Management, young people observed and participated in technical skill training related to such topics as proper calving procedures and techniques, colostrum management and heifer program analysis.

In the 2007 Dairy Discovery workshop on Maximizing the Feed Management Program, approximately 70 young people participate in a hands-on experience with nutrition management including the role of total mixed rations in milk production and cow health.

Dairy Discovery is not only a perfect opportunity for young people to learn the basics of dairy management, but they have a campus experience. Instructors for the various hands-on experiences are often animal science professors or graduate students.



The kids learn from Dairy Discovery's hands-on approach. The applied learning that takes place gives them ideas they can take back to their home dairies. It's an opportunity for these young people to come to Cornell and learn more about the dairy industry, dairy careers and opportunities available to them. It's all about connecting young people to other young people and to professionals.

Deborah Grusenmeyer
Coordinator, Dairy Discovery



The success of Dairy Discovery is captured in these remarks from young people who participated in the 2007 event:

- *There is so much out there in the dairy world that I had no idea existed. The hands-on learning was great.*
- *I thought the program was well rounded, and I learned a lot.*
- *Thank you so much for a great couple of days. It was a great experience.*
- *What a learning experience! I wish I had come before this year!*

Environmental Stewardship and Education

Environmental Education

PRO-DAIRY specialists cultivate a strong partnership with researchers, dairy environmental planners and advisers, and state and federal agencies in the areas of nutrient management and Concentrated Animal Feeding Operation (CAFO) issues. As part of that partnership PRO-DAIRY staff provides information and training in support of New York's Agricultural Environmental Management (AEM).

- PRO-DAIRY staff participated in delivering information on groundwater issues and environmentally sound manure management at two additional programs: the Soil and Water Conservation District Water Quality Symposium and Advanced Certified Crop Advisor training session.
- PRO-DAIRY's Karl Czymmek assisted NEDPA in preparing comments on the U.S. Environmental Protection Agency's (EPA) supplemental proposed revisions to CAFO rules.

Results Driven

- PRO-DAIRY conceived of, and organized the annual CAFO Road Show to present the latest information on CAFO practices and regulations. The 2007-08 Road Show attracted 400 producers, environmental planners and government agency staff to six live and video locations. CAFO Road Show partners are Cornell Cooperative Extension, the Department of Environmental Conservation, New York State Soil and Water Conservation Committee and the Department of Agriculture & Markets, the Northeast Dairy Producers Association (NEDPA) and the Natural Resources Conservation Service (NRCS).

PRO-DAIRY has been instrumental in the development and delivery of sound science in New York's nutrient management program. Strategic environmental decisions need to be based on the best available information, and PRO-DAIRY delivers that element for all of agriculture. The staff is critical to the implementation and success of AEM and CAFO.

Ron Kaplewicz
*Director, Division of Soil & Water
Executive Director, New York State Soil
and Water Conservation Committee*



Environmental Research

PRO-DAIRY specialists are intimately involved in nutrient management applied research and extension, working closely with: Dr. Quirine Ketterings and her staff at the Cornell Nutrient Management Spear Program, Cornell Cooperative Extension field staff, dairy industry consultants and dairy producers.

In this partnership, PRO-DAIRY focuses on helping to prioritize applied research projects, implement those projects, interpret the information collected and disseminate it to the dairy community.

Results Driven

- PRO-DAIRY's Karl Czymmek worked with research partners to evaluate nitrogen credits to corn with various manure incorporation methods in the spring. The research resulted in dairies making better use of manure nutrients and cutting their cost of purchased fertilizer.
- Karl worked with collaborators to research phosphorus needs for optimum corn production. Because of the research, dairy producers know they can reduce starter phosphorus use on high phosphorus soils and eliminate it entirely for very high phosphorus soils – another cost savings for dairies.
- Karl worked collaboratively with Dr. Ketterings to develop talks, fact sheets and papers that communicate the results of these applied research projects.



Since the start of our program, we have worked in close collaboration with Karl Czymmek and other PRO-DAIRY staff members. This has enabled us to build an applied research and extension program recognized for its relevance to and impact on agricultural environmental management of New York dairy farms.

Quirine Ketterings
Leader, Cornell Nutrient
Management Spear Program
Associate Professor, Department of Crop
and Soil Sciences
Cornell University

Environmental Outreach

As a member of the New York Dairy Task Force, Karl Czymmek co-chairs its Environmental Stewardship Committee with dairy producer Connie Patterson. The Task Force is a component of the New York Center for Dairy Excellence. Under Karl and Connie's leadership, the committee identified areas for investment by the Center for Dairy Excellence through the New York Farm Viability Institute.

Results Driven

- An article series, to appear in the popular agriculture press in 2008, will feature dairies that have successfully adopted best practices by implementing AEM. The articles will promote environmental improvement.
- Based on work by PRO-DAIRY's Karl Czymmek and Curt Gooch, the committee requested funding for a new PRO-DAIRY manure management technology position. Tim Shepherd (at left) joined the PRO-DAIRY team in February 2008 as a senior Extension associate and integrated dairy waste management specialist. He will help dairies address manure treatment and handling needs by identifying, prioritizing and researching emerging technologies.



Our ability at Cooperative Extension to call on PRO-DAIRY expertise was a major asset in our response to the neighbor-relations situation. Karl Czymmek made repeated trips to visit with farmers, community members and town leaders to explain current research and address their questions thoroughly. Curt Gooch brought insights from his research and practical lessons from his experience and examples from outside the state. With this kind of backup from the PRO-DAIRY team, we have been commended for playing a pivotal role in getting good information to decision makers and the media in our community.

Jim Ochterski
Cornell Cooperative Extension
Ontario County

- All New York dairies benefit from the collaboration between PRO-DAIRY, the Center for Dairy Excellence and the New York Farm Viability Institute to bring the expertise of an integrated dairy waste management specialist to the state.
- Karl responded to a call for assistance from Ontario County Cornell Cooperative Extension in the fall of 2007. Some dairies in the Finger Lakes area were involved in neighborhood conflicts regarding odors and manure storage siting. Over several months, PRO-DAIRY served as a resource to Ontario County Cornell Cooperative Extension and the dairy to help address issues. Karl met with the dairy, nonfarm neighbors and other local farmers, and he talked to the county's zoning board about siting a manure storage. Karl delivered a CAFO talk to 80 local public officials. He and Curt Gooch met with the dairy to discuss manure-handling options. And the two PRO-DAIRY specialists spoke with producers on nutrient management and odor control options.



PRO-DAIRY

Nutrient Management Systems

Working with partners in the Cornell Manure Management Program, Curt Gooch, PRO-DAIRY's housing and waste management professional engineer, develops, documents and demonstrates innovative manure treatment and handling methods for New York State dairy farms. His applied research and outreach program focuses on manure nutrient monitoring and anaerobic digestion performance and economics

Results Driven

- The Cornell Manure Management Program's outreach website has more than 4,000 "hits" per month on average.
(www.manuremanagement.cornell.edu)



- Eight New York State anaerobic digesters are being monitored following a recently developed U.S. Environmental Protection Agency protocol. Dairy producers and their advisers will use the results of this study, and of similar post studies, to make decisions with regard to anaerobic digestion.
- Economic information resulting from the study of anaerobic digesters has been instrumental in sparking discussions on amending the State's Net Metering Law.
- Curt Gooch is working with the Gas Technology Institute to conduct pioneer work to inject dairy farm-based biomethane into the national gas pipeline. If this work bears fruit, dairies will have an alternative to market biogas they produce.
- PRO-DAIRY research has given the dairy industry a better understanding of the costs and application of manure treatment systems. The information is made available to dairy producers and their advisers through technical papers, popular press articles, farm case studies and fact sheets.



Professional Engineer Training

New York State dairy producers need registered professional engineers to provide engineering services under the state's Concentrated Animal Feeding Operation (CAFO) permit. Curt Gooch, working with Peter Wright of USDA-NRCS and Kim Scamen of Barton & Loguidice Consulting, develops and delivers educational programs for engineers currently serving the dairy industry and those wishing to do so. The training program also provides professional engineers with an opportunity to earn Continuing Education Credits, required each year, in areas that support the dairy industry.

Results Driven

- More than 75 engineers have attended five training sessions conducted since the program's inception in 2006.

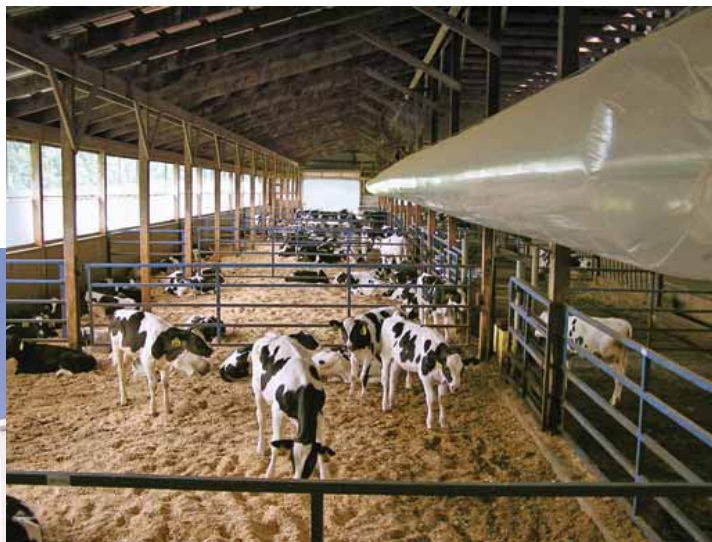
Dairy Housing Systems

Curt Gooch developed and delivered educational materials in 2007 for confined housing of preweaned dairy calves. This information helps dairies to make informed decisions on housing options that will assist them in raising healthy calves.

Results Driven

- Curt presented designs for mechanically ventilating preweaned calf barns at the local and national levels.
- Curt maintains the dairy housing program website, which provides information on his calf barn work, as well as other dairy facilities material he has developed.

(www.prodairyfacilities.cornell.edu)



Management Education

Managing for Success gets an upgrade

Improving management skills and practices on New York State dairy farms has been a goal of the PRO-DAIRY program from the beginning. More profitable businesses, successful and thriving dairy farm families, and stronger, more stable rural economies result when dairy farmers have effective management skills.

With a grant from the New York Farm Viability Institute, PRO-DAIRY specialists updated and revitalized the program's flagship management workshop, Managing for Success. Collaborating with Cornell Cooperative Extension educators and agri-service professionals, PRO-DAIRY revamped Managing for Success to feature:

- Challenges of managing in a family business.
- Importance of a business vision.
- Setting long-term and short-term goals.
- Principles of continuous improvement.
- 3 Cs of positive human interactions: Managing Change, Conflict, Communication.
- Strategy-driven priority setting and managing time.
- Leadership—How much, how often and when.

In the goal setting component of Managing for Success, PRO-DAIRY and Extension educators will assist 20 dairies in conducting a "before" Dairy Farm Business Summary (DFBS) assessment where dairy managers will record long- and short-term goals. Staff will then aid the same 20 dairies in determining the mid-term impact of setting goals through the use of a partial or enterprise budget. Finally, PRO-DAIRY and Extension will monitor at least 15 of the 20 dairies over time, with analysis from an "after" DFBS perspective for longer-term impacts.

Results Driven

- PRO-DAIRY offered workshops across the state, targeting younger producers and managers for whom Managing for Success concepts may be new. The programs attracted 149 producers and 24 agri-service professionals.
- PRO-DAIRY plans to make problem solving and decision making a regular component of educational events where technical dairy topics, such as feed management, manure spreading and youngstock growth, are the focus.
- PRO-DAIRY will offer dairy discussion groups a self-assessment instrument on people skills to help dairy producers better understand their management style—task oriented vs. people oriented, for example. By gaining awareness of how each individual on a dairy interacts with others, dairy business productivity, profitability and personal satisfaction should improve.
- PRO-DAIRY participated in a meeting called Money on the Table in Saratoga County where dairy producers wrestled with a self-assessment question about their approach to business negotiation.



Winter Dairy Management Series

Raising Fiscally Responsible Heifers

PRO-DAIRY continued its successful Winter Dairy Management series in 2008. The course, offered at 13 sites across New York State, brings technical, financial and operational know-how to a topic of importance to dairy farms. In the 2008 Winter Dairy Management series, Raising Fiscally Responsible Heifers was that topic.

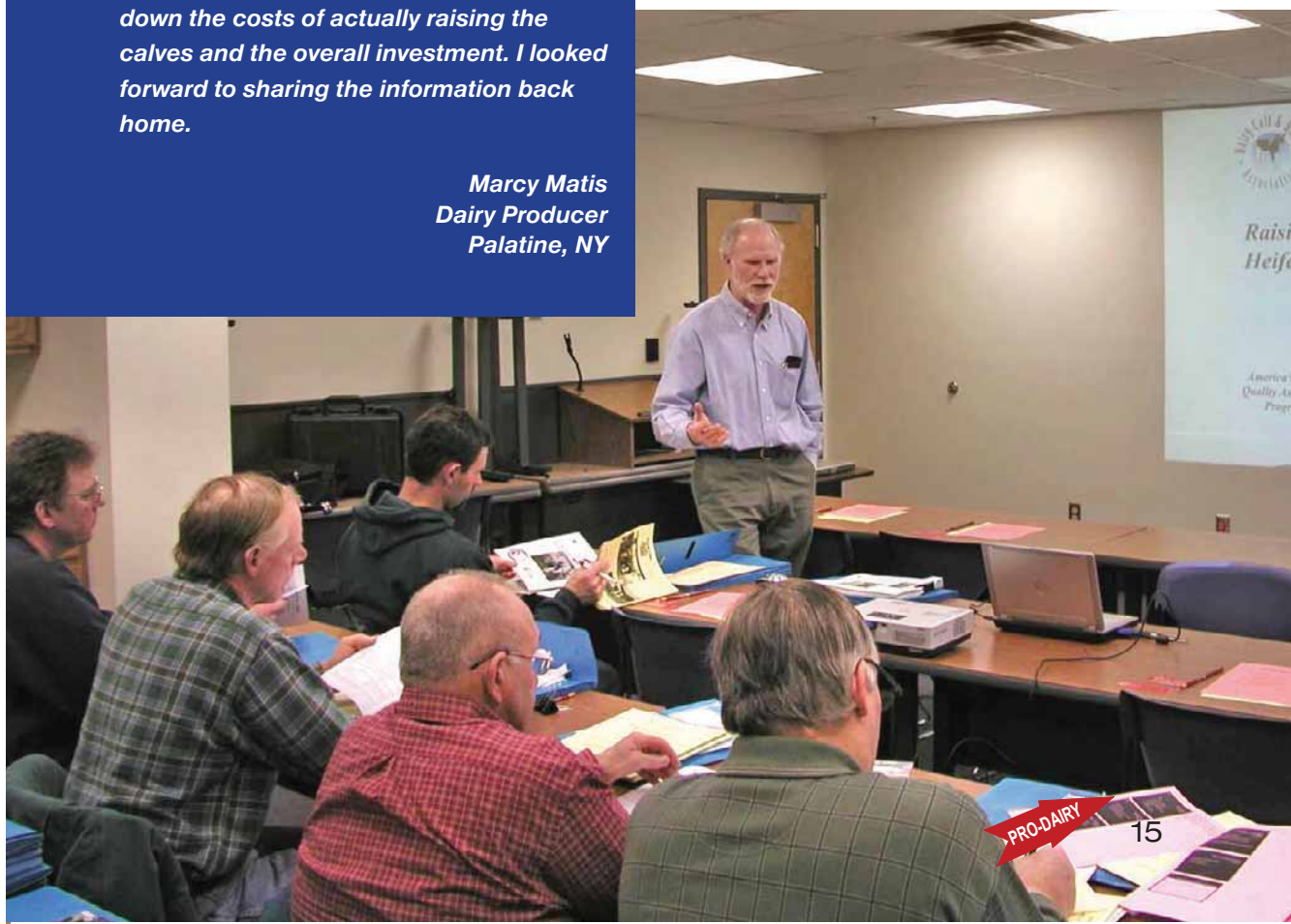
The series combined discussions on a range of topics with an in-depth look at four case farms. Topics covered the gamut from the specifics of calf management to the cost of raising replacements. The four case study dairies presented their calf-raising financials and experiences to show that dairies can consistently deliver quality heifers to their milking string.

The Winter Dairy Management program on raising heifers had great information on calf feeding dry matter weights based on temperature and weight gain. There was also great information on breaking down the costs of actually raising the calves and the overall investment. I looked forward to sharing the information back home.

Marcy Matis
Dairy Producer
Palatine, NY

Results Driven

- 622 dairy producers, agri-service professionals and students participated in the Winter Dairy Management series at 13 sites. Attendees included 16 custom heifer growers, representing 6,900 heifers.
- Attendees represented 191 dairies, 66,250 cows and 61,050 heifers.
- The 73 agri-service participants represented 391,075 cows on clients' dairies.
- 59% of participating dairies expect to expand by 12,276 cows, collectively.
- 75% of participating dairies polled through evaluations cited at least one substantive change they intended to make as a result of attending the Winter Dairy Management meeting.



Case Farm Experience

The value of the Winter Dairy Management program is easily seen in the experience of one of the four case farms—Doubledale Farm in Ellisburg, N.Y. The dairy has a 723-cow milking herd and raises 700 heifers. Owners Sharon (at right) and Dan Rossiter are making these changes to their calf program as a result of participating as a case farm:

- Increase intake for preweaned calves and feed calves more for energy and growth in cold weather.
- Buy an electronic scale and weigh calves at birth and weaning and after freshening.
- Pay more attention to the data from Dairy Comp 305.
- Record use of calf medications on the computer, not just noting this on paper.

Importantly, the Rossiters learned that it cost them an average of \$1,846 to raise a heifer from birth to freshening.

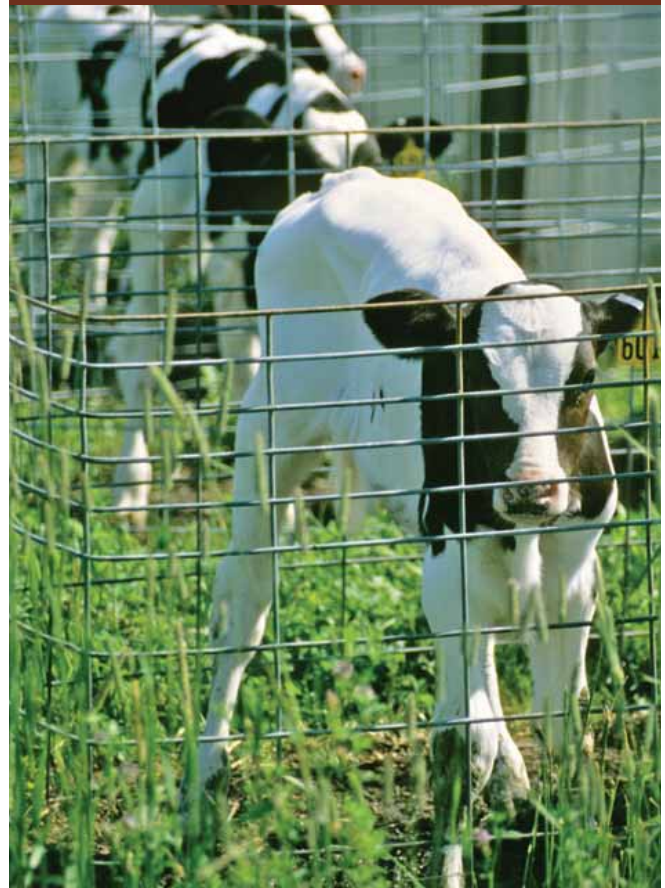
The Winter Dairy Management Series is a collaborative effort between PRO-DAIRY, dairy producers, agri-business professionals and Cornell Cooperative Extension educators. As the following history shows, the series continues to grow in attendance and potential impact each year.

- WDM 2005: Enhancing Dairy Farm Profits through Internal Growth (IHG). 268 producers, agri-service professionals and students participated at nine locations.
- WDM 2006: Enhance Dairy Profitability; Achieve Balance between Crops and Cows. 348 producers, agri-service people and students participated at nine locations.



Looking at those numbers (for every 1 pound a calf gains over .5 pounds a day, her milk yield increases by 900 pounds per lactation) really opened our eyes to how good early growth pays off in better milk production later.

Sharon Rossiter
Owner, Doubledale Farm
Ellisburg, NY



Business Management

Dairy Farm Business Summary & Analysis Program helps dairies measure success, ID areas to improve

Jason Karszes, PRO-DAIRY's business management specialist, is the key facilitator for the 51-year-old Dairy Farm Business Summary (DFBS). Housed in Cornell's Department of Applied Economics and Management, the Dairy Farm Business Summary and Analysis Program allows dairy farms to report their annual production and financial information and receive business analysis reports and comparisons. The more than 200 participating dairies use the individualized reports to monitor their performance from year-to-year to benchmark it against other dairies and to pinpoint areas of their dairy businesses to improve.

The DFBS program publishes six summaries for different sectors of New York's dairy industry. They include six regional publications and a state summary, plus summaries for different types of dairies—small, grazing and large herds as well as renters. The reports give an annual snapshot of dairy farm profitability for New York State.

The DFBS and Analysis Program is a partnership between the Department of Applied Economics and Management and Cornell Cooperative Extension (CCE) with PRO-DAIRY providing key facilitation of the program with producers and Extension educators. As noted elsewhere in this annual report, the DFBS data are used to facilitate business-focused discussion groups with dairies.

Results Driven

- Each dairy receives a personal summary for comparison to regional or statewide summaries. Dairy managers use this to gauge business decisions.
- Since 2001, the DFBS program has offered an interactive web-based program to provide more timely data to producers.

- Web-based technology allows users to generate customized benchmarking reports, multi-year comparisons, cost basis balance sheets, after-tax profit and balance sheet calculations, and more.
- Over the last three years, the DFBS and Analysis has been the basis for 37 presentations to 2,272 people and nine different discussion groups with 59 participating dairies.
- Jason Karszes as key facilitator has worked with more than 100 different dairies to complete and interpret the DFBS over the past three years.



We have used the DFBS for 17-plus years now, and it has been invaluable to our dairy. We use it constantly to make budget and management decisions. Four years ago our dairy went through a large expansion. We had been using our benchmark numbers for two years prior to the expansion to run different budgets on this particular project. This is just one example of how we have used the DFBS. As consolidation of dairies continues, I believe a program like this is greatly needed so our dairies continue to be profitable even with tight margins and in difficult years.

**Pat Hanehan
Dairy Producer, Turning Point Dairy
Saratoga County, NY**

Dairy Profit Monitor offers monthly benchmarking

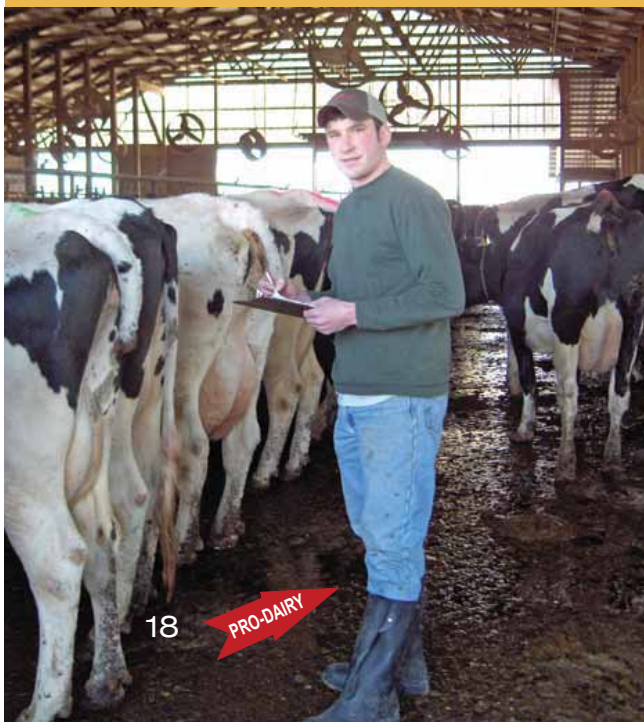
PRO-DAIRY, working with the Department of Applied Economics and Management, has developed the Dairy Profit Monitor which is a web-based program that allows dairy producers to track key financial and production parameters monthly. The timely information generated by the Dairy Profit Monitor gives dairy managers a tool to make well-timed business management decisions.

Kyle Getty (at right) leads the Dairy Profit Monitor project that now has 212 registered users. They include producers, consultants and dairy industry professionals. From 40 to 50 dairies submit data monthly.



As my dairy business has grown and undergone many changes over the past year, the Dairy Profit Monitor has enabled me to monitor progress and identify areas for improvement on a current basis. The ability to observe business trends over a monthly and quarterly time period with hard numbers keeps me on track in a fast changing environment.

Tim Northrop
Dairy Producer
York, NY



Results Driven

- Producers and consultants value the monthly snapshot of a dairy business.
- By tying in key operating performance indicators on one report, the Dairy Profit Monitor provides an excellent tool for monthly management meetings.
- Managers and consultants can highlight areas needing improvement and then use the program to track progress over time.
- By tying in all areas driving performance, key employees get a more accurate picture of how their areas of focus, such as crop production, are impacting the business.
- By enhancing the level of recordkeeping and providing more tools for analysis at the farm level, it's apparent the Dairy Profit Monitor results in improved decision making with regards to profitability.

Cornell Dairy Executive Program develops business and leadership skills

Since PRO-DAIRY began the Cornell Dairy Executive Program (CDEP) in 2000, 150 dairy industry professionals have participated in the country's only executive training program specifically for the dairy industry.

The CDEP offers progressive dairy producers and managers in related agribusinesses opportunities to develop and strengthen skills in business management and leadership through three multi-day sessions over two years.

With six CDEP classes completed and 150 alumni, PRO-DAIRY is developing an alumni program to continue leadership education opportunities for dairy professionals. Each year, alumni can attend a session designed to offer insights and tools on new and changing business topics of interest to dairy industry leaders.



Surveys of CDEP participants show:

- 100% made changes in their businesses as a result of the CDEP.
- 86% believed they improved some aspects of their businesses.
- 100% would recommend the CDEP to other dairy producers.

The combination of topnotch speakers, progressive dairy producers and professional agribusiness individuals in the Cornell Dairy Executive Program provided me with a powerful vision of success in the dairy industry.

**Ben Hickerson
Genex Cooperative
CDEP Class V**



OUTREACH

PRO-DAIRY reaches its stakeholders through many avenues

Northeast DairyBusiness magazine

Since 1999, PRO-DAIRY educational materials have appeared in the Northeast's only dairy-specific magazine—*Northeast DairyBusiness*. PRO-DAIRY's *The Manager* is a 15-page section of professionally prepared articles published six times a year. PRO-DAIRY specialists provide leadership as the principle organizers, authors and sources of the articles.

The Manager is one of the primary avenues for PRO-DAIRY educators to share research updates, on-farm practices, economic analysis, how-to's and action steps with the entire New York dairy industry.



Cornell Cooperative Extension Educator Program

PRO-DAIRY works closely with county and regional Cornell Cooperative Extension educators in developing and delivering educational programs in their areas. As well, PRO-DAIRY specialists provide educational and training programs for the educators.

Results Driven

Based on an independent audit and survey of *Northeast DairyBusiness* in 2007, respondents provided this information:

- More dairy producers in New York receive the magazine than any other dairy magazine.
- 97% of the survey respondents report that the magazine with the PRO-DAIRY content does the best job of presenting regional information useful to the dairy producers.

PRO-DAIRY on the Web

PRO-DAIRY offers several websites with information prepared by the program's specialists:

<http://ansci.cornell.edu/prodairy>
<http://prodairyfacilities.cornell.edu>
<http://nmisp.css.cornell.edu>
<http://dairyprofit.cornell.edu>
<http://dfbs.aem.cornell.edu>
<http://manuremanagement.cornell.edu>

Results Driven

- More than 76,000 "hits" occurred on the PRO-DAIRY website, indicating a high level of use of the PRO-DAIRY programs by Internet users.

Results Driven

- The Winter Dairy Management Series is an important example of PRO-DAIRY's relationship with Cornell Cooperative Extension educators. To deliver the Winter Dairy Management program to 622 participants, PRO-DAIRY specialists collaborated with 33 dairy-related educators and another 34 educators with expertise in farm and/or field crop management. These Cornell Cooperative Extension educators work in 50 New York counties.

Dairy Conferences

Four dairy-related conferences were offered or hosted by PRO-DAIRY during the past year. Each of these conferences had an in-depth focus on selected themes: dairy nutrition, feed management and herd health, for example.

- Cornell Feed Dealers Seminars: 225 attendees representing approximately 300,000 cows.
- Dairy Nutrition and Management Short Course: 55 attendees representing approximately 225,000 cows.
- Cornell Fall Dairy Conference: 335 attendees representing approximately 150,000 cows.
- Northeast Dairy Producers Conference: 529 attendees representing more than 500,000 cows.

PRO-DAIRY Partnerships

PRO-DAIRY thanks the State of New York (Department of Agriculture and Markets), New York Farm Viability Institute and New York Center for Dairy Excellence for their financial support, commitment and guidance. Through collaboration with these funding partners and the 118 collaborators and partners listed below, PRO-DAIRY continues to provide educational programming for New York's dairy industry.

ABS Global	Dairy Nutrition Inc.	Norbco
Advanced Comfort Technology	Dairy One Cooperative Inc.	Northeast Agriculture Technology Corp.
Advanced Dairy Services	Dairylea/DFA	Northeast Certified Crop Advisor Program
AeroTech	Dehm Associates	Northeast Dairy Producers Association
Agricultural Consulting Services	Diamond-V	Northeast Farm Credit AgEnhancement Program
Agricultural Waste Solutions	DLtech	Northwest New York Dairy, Livestock & Field Crops Program
Agri-Labs	Eastview Veterinary Clinic	Novartis Animal Health
Agway Foundation	Elanco Animal Health	Ochs Consulting LLC
Alpharma Animal Health	Farm Credit of Western NY	Palmer Veterinary Clinic
Alta Genetics	Feed Commodities International	Pennfield Corp.
American Dairy Association & Dairy Council	First Pioneer Farm Credit	Perry Veterinary Clinic
American Farmland Trust	Fort Dodge Animal Health	Pfizer Animal Health
Arm & Hammer Animal Nutrition	Genex/CRI	Poulin Grain Inc.
Attica Veterinary Clinic	Gramco Inc.	Pro-Act Microbial
Bank of Castile	Granville Veterinary Services	Quality Milk Production Services
Barton & Loguidice P.C.	Grober Nutrition Inc.	Ranch Veterinarians
Battenkill Veterinary Clinic	Harry Austin Milling	Rapp Dairy Nutrition
Blue Seal Richer Dairy Nutrition	Hewitt Brothers	Reisdorf Brothers
Bordeaux and Bushey Inc.	Holtz-Nelson Consulting	Renaissance Nutrition Inc.
Brown's Feed	Intervet Inc.	Ridge Animal Hospital
Capital Area Ag Consulting	Jess Engineering	Round House Mill
Cargill Animal Nutrition	JW Ferry & Associates	Rupert Veterinary Clinic
Carolina Eastern Vail Inc.	Keseca Veterinary Clinic	Schering-Plough Animal Health
Cayuga Marketing LLC	Land O'Lakes/Purina Feed	Shur-Gain USA Inc.
Cayuga Renewable Energy LLC	Lowville Farmers Cooperative	Springville Veterinary Services
College of Agriculture & Life Sciences faculty	Lutz Feed	Spruce Haven Farm & Research Center
Community Bank NA	McClelland's Agronomic Consulting	Starland Veterinary Services
ConsulAgr	McDowell & Walker	The Old Mill-Troy Inc.
Cook's Consulting	Mercer Milling	U.S. Geological Survey
Cooperative Feed Dealers	Merial	USDA Farm Service Agency
Cornell Cooperative Extension Agriculture & Natural Resource Educators	Midland Bioproducts	USDA Natural Resource Conservation Service
Cornell Industrial Labor Relations Extension	Midstate Veterinary Clinic	Venture Milling
Countryside Veterinary Clinic	Midvale Veterinary Clinic	Ward and Van Scoy
County-based Soil and Water Conservation District Programs	Monsanto Dairy Business	Watertown Animal Hospital
Cowcalls	New York Animal Agriculture Coalition	Western New York Crop Management Association
Cows Come First	NY Organic Dairy Initiative	Whitman's Feed Store
Dairy Business Communications, <i>Northeast Dairy-Business Magazine</i>	NYS Agriculture Mediation Program	Wight and Patterson
	NYS Cattle Health Assurance Program	William H. Miner Agricultural Research Institute
	NYS Certified Agricultural-Environmental Planners	Zinpro Corp.
	NYS Department of Conservation, Division of Water	
	NYS Energy Research Development Authority	
	NYS Soil & Water Conservation State Committee	

For information on the PRO-DAIRY program, contact:

PRO-DAIRY
272 Morrison Hall
Cornell University
Ithaca, NY 14853

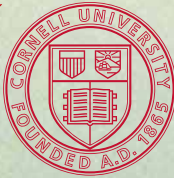
Tel: 607-255-4478

Fax: 607-255-1335

Website: www.ansci.cornell.edu/prodairy/

David Galton
Director
dmg20@cornell.edu

Thomas Overton
Associate Director
tro2@cornell.edu



Cornell University
College of Agriculture
and Life Sciences